

60 consecutive months (set at the discretion of the Contracting Officer for each VECP) that spans the highest planned production, based on planning and programming or production documentation at the time the VECP is accepted.” for “the number of future contract units in the sharing base.”

(h) *Extended production period solicitations and contracts.* In solicitations and contracts for items requiring an extended period for production (*e.g.*, ship construction, major system acquisition), if agency procedures prescribe sharing of future contract savings on all units to be delivered under contracts awarded during the sharing period (see 48.104–1(c)), the contracting officer must modify the clause at 52.248–1, Value Engineering, by revising paragraph (i)(3)(i) of the clause and the first sentence under paragraph (3) of the definition of “acquisition savings” by substituting “under contracts awarded during the sharing period” for “during the sharing period.”

[48 FR 42443, Sept. 19, 1983, as amended at 54 FR 5057, Jan. 31, 1989; 55 FR 3887, Feb. 5, 1990; 64 FR 51848, Sept. 24, 1999]

#### **48.202 Clause for construction contracts.**

The contracting officer shall insert the clause at 52.248–3, Value Engineering—Construction, in construction solicitations and contracts when the contract amount is estimated to be \$100,000 or more, unless an incentive contract is contemplated. The contracting officer may include the clause in contracts of lesser value if the contracting officer sees a potential for significant savings. The contracting officer shall not include the clause in incentive-type construction contracts. If the head of the contracting activity determines that the cost of computing and tracking collateral savings for a contract will exceed the benefits to be derived, the contracting officer shall use the clause with its *Alternate I*.

### **PART 49—TERMINATION OF CONTRACTS**

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- 49.502 Termination for convenience of the Government.
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- 49.603-1 Fixed-price contracts—complete termination.
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- 49.603-4 Cost-reimbursement contracts—complete termination, with settlement limited to fee.
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AUTHORITY: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

SOURCE: 48 FR 42447, Sept. 19, 1983, unless otherwise noted.

### 49.000 Scope of part.

This part establishes policies and procedures relating to the complete or partial termination of contracts for the convenience of the Government or for default. It prescribes contract clauses relating to termination and excusable delay and includes instructions for using termination and settlement forms.

### 49.001 Definitions.

As used in this part—

*Other work* means any current or scheduled work of the contractor, whether Government or commercial, other than work related to the terminated contract.